



BOARD ACTION MEMORANDUM

TO: NCUA Board **DATE:** June 9, 2016
FROM: Office of General Counsel **SUBJ:** Part 747 - Statutory
Inflation Adjustment of
Civil Monetary Penalties

ACTION REQUESTED: Board approval to publish an Interim Final Rule with request for comments concerning the statutory inflation adjustment of NCUA's civil monetary penalties (CMPs).

DATE ACTION REQUESTED: June 16, 2016.

OTHER OFFICES CONSULTED: None.

VIEWS OF OTHER OFFICES CONSULTED: N/A.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Senior Trial Attorney Ian Marenga.

SUMMARY: The Interim Final Rule would amend Part 747 of NCUA's regulations on CMPs to adjust the CMPs within NCUA's jurisdiction to account for inflation. This action, including the amount of the adjustments, is required under the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996 and the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015. As amended in November 2015, this legislation now requires NCUA to review and adjust its CMPs for inflation annually and publish the adjusted CMPs in the Federal Register. The legislation requires NCUA and several other agencies to make the adjustments in 2016 through an interim final rule published in the Federal Register no later than July 1, 2016 and effective no later than August 1, 2016.

While the law requires NCUA to adjust maximum CMP amounts, it does not require that assessments be made at the maximum level. NCUA has never assessed a CMP at the maximum level. The Interim Final Rule would make the required adjustments in accordance with the legislation and consistent with guidance issued by the Office of Management and Budget.

RECOMMENDED ACTION: Recommend the Board approve publication of the Interim Final Rule to become effective 30 days after publication in the Federal Register with a request for comments within 30 days.

ATTACHMENT: Interim Final Rule.